

BUDGET SUPPLEMENT NO: 3

May 23, 2006

SUBJECT: Funding for Expanded Neighborhood Grant Program

BUDGET SUPPLEMENT REQUEST SUMMARY

In August 2005 staff presented a study issue to Council exploring neighborhood grant programs (*RTC #05-244, Feasibility of a Neighborhood Grant Program in Sunnyvale (Study Issue)*). Council directed staff to develop a framework for an expanded neighborhood association grant program, and to include implementation costs for the program in the City Manager's FY 2006/2007 recommended operating budget. The annual total grant funding approved at the August meeting was \$2,500, but Council also directed staff to consider increasing that to \$10,000 (with an individual grant limit of \$1,500) when submitting the FY 2006/07 budget. At the January 30, 2006 Fiscal Issues Workshop Council again requested that staff consider an increase in neighborhood grant funding. This supplement proposes to increase the budget for neighborhood grant funds from the current level of \$700 to \$10,000 with a limit of \$1,000 per individual grant. The total cost of this supplement is \$11,740 (\$9,300 in additional grants; \$2,440 in additional administrative costs). The 20-year fiscal impact is a cost increase of \$294,218 to the General Fund with inflation.

BACKGROUND

In FY 2001/2002, as part of the Integrated Neighborhood Services Initiative, staff conducted best practices research on how cities connect with and engage their residents. Neighborhood grant programs warranted further study and staff proposed it as a 2005 Study Issue. Council ranked this study issue two out of nine for the Office of the City Manager, and the study issue was presented to Council in August. The study issue explored the feasibility of a City-sponsored neighborhood grant program that would provide grants directly to groups of residents or neighborhood associations for neighborhood improvement.

EXISTING POLICY

Goal 7.2B: Achieve a community in which citizens and businesses are actively involved in shaping the quality of life and participate in local community and government activities.

Action Statement 7.2B.3a: Identify and strengthen contacts between the City and community organizations.

Action Statement 7.2B.4: Community Self-Reliance: Encourage and support the development of greater community self-reliance for problem solving through effective community and neighborhood organizations.

Action Statement 7.2B.4a: Identify and support mechanisms to strengthen the capability of community organizations to achieve community-wide goals.

Action Statement 7.2B.6a: Seek opportunities for the City to be a catalyst to increase the frequency, amount and impact of contributions from citizens, community organizations and businesses.

DISCUSSION

Neighborhood associations play an important role in building community in Sunnyvale. Sunnyvale's neighborhood associations are a cost-effective means of linking City Hall to its residents, fostering community pride and neighborhood attractiveness, and building bridges between cultures. Five new neighborhood associations have formed since January 2005, bringing the total number of active neighborhood associations in Sunnyvale to 17. The City's neighborhood associations represent roughly 7,400 of the City's approximately 54,000 households.

Neighborhood grant programs have been cited by many cities as an effective way of building community partnerships and civic engagement. Grant programs leverage resources within the community, empowering residents to work toward improving the quality of life within their neighborhoods, and at the same time building a stronger sense of community. Grant programs can also be an effective means of cultivating self-sustaining neighborhood associations.

Consistent with Council direction in August 2005, in FY 2005/06 staff has been developing a framework for an expanded neighborhood grant program. The framework includes development of applicant eligibility criteria, application/award timeline, grant application, award criteria, and award follow-up and evaluation. As proposed, grant funds are intended to strengthen neighborhood association and can be used for such projects as neighborhood-improvement, start-up events which improve communication and participation within a neighborhood, outreach between cultural groups, or signage that enhances neighborhood pride and identity. Grant eligibility criteria will include participation from neighborhood residents (such as volunteer hours). Specific examples of the types of neighborhood activities that may be funded include:

- Services to develop (not maintain) an association web site;
- Flyers to advertise a meeting or event;
- Refreshments/materials for a block party, potluck activity celebrating the diversity of the neighborhood, National Night Out event, etc.;
- Neighborhood cleanup projects (pay for extra dumpsters, trash bags, etc.);
- Neighborhood Watch materials (extra signs, decals, publications, etc.);
- Prizes for neighborhood event/contest;

- Emergency preparedness materials for the neighborhood;
- Registration fees for annual United Neighborhoods of Santa Clara County conference or other neighborhood leadership conferences;
- Start-up costs for neighborhood association fundraising event/activities;
- Welcoming signage at entrance to neighborhood denoting neighborhood's name;
- Neighborhood beautification project (i.e. landscaping, planting of trees, etc.).

Currently, the city's neighborhood grant program is limited to one-time start-up grants of \$100 to newly registered neighborhood associations, and staff outreach to neighborhood association leaders about grant opportunities provided by other agencies (e.g. Community Foundation Silicon Valley's Neighborhood Grants Program). The recommended FY 2006/07 Budget for neighborhood grants assumes that this "base" level of funding will continue. The budget includes \$700 for grant awards, and \$3,067 for administration for a total base budget of \$3,767.

In August 2005 Council directed staff to develop (for implementation in FY 2006/07) a neighborhood grant program with total grant funding of \$2,500 with a maximum individual grant of \$500, and \$1,626 in additional operating costs to administer the grants (30 Administrative Aide hours). Council also directed staff to consider increasing total grant funding to \$10,000 (with a maximum individual grant limit of \$1,500) when submitting the FY 2006/07 budget for Council review.

At the January 6, 2006 Fiscal Issues Workshop Council again encouraged the City Manager to consider total grant funding of \$10,000 with individual grant awards of less than \$1,500. This supplement proposes \$10,000 in total grant funding with a maximum individual grant limit of \$1,000, and an additional \$2,440 administration costs (45 Administrative Aide hours). This option would require total additional funding of \$11,740 above the base budget of \$3,767.

SERVICE LEVEL IMPACT

Currently, the city's neighborhood grant program is limited to one-time start-up grants of \$100 to newly-formed registered neighborhood associations, and outreach to neighborhood association leaders about grant opportunities provided by other agencies (e.g. Community Foundation Silicon Valley's Neighborhood Grants Program). The expanded neighborhood grant program would increase the total funds available for neighborhood grants from \$700 to \$10,000, with a maximum amount of \$1,000 for each individual grant. Additionally, newly forming associations, as well as existing neighborhood associations could participate. The proposed program's expanded funding and scope should increase participation in the grants program, spur interest in

neighborhood associations, and result in increased opportunities for residents to work together to improve the quality of life in their neighborhoods.

FISCAL IMPACT

A comparison of the ongoing implementation costs of the current and expanded programs is provided in Table 1. This supplement proposes \$10,000 in total grant funding with a maximum individual grant limit of \$1,000, and associated administration costs of \$5,507. This option would require an additional \$11,740 in total funding. The 20-year fiscal impact is a cost increase of \$294,218 to the General Fund with inflation.

Table 1: Comparison of ongoing costs of current and expanded grant programs

	Total Grant Funding for Awards	Administrative Costs	Total Grant Program Costs	Increase over the Base Budget
FY 2006/07 Base Budget	\$700 (\$100 per award)	\$3,067	\$3,767	\$0
Minimum Expansion Option	\$2,500 (up to \$500 per award)	\$4,693	\$7,193	\$3,426
Expansion Option Proposed by this Supplement	\$10,000 (up to \$1,000 per award)	\$5,507	\$15,507	\$11,740

CONCLUSION

It is staff's recommendation that Council continue to strengthen Sunnyvale's neighborhood associations and increase community participation by approving this Budget Supplement, which expands the City's neighborhood grant program to provide total annual grant funds of \$10,000, with individual grant awards not to exceed \$1,000. The total cost of this supplement is \$11,740 (\$9,300 in additional grants; \$2,440 in additional administrative costs). The 20-year fiscal impact is a cost increase of \$294,218 to the General Fund with inflation.

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Mary J. Bradley
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City Manager's Recommendation

☐ Approve Budget Supplement for funding

☐ Do Not Approve Budget Supplement for funding

Amy Chan
City Manager

Attachments

Attachment A – Budget Supplement Form

BUDGET SUPPLEMENT FORM

Fiscal Year 2006/2007

BUDGET SUPPLEMENT #3: FUNDING FOR EXPANDED NEIGHBORHOOD GRANT PROGRAM

FISCAL IMPACT :	\$11,740
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TOTAL PROPOSED COSTS (Savings) :	\$11,740
TOTAL PROPOSED REVENUES :	\$0
NET IMPACT :	\$11,740

20-YEAR IMPACT :	\$294,218
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DESCRIPTION OF THE TYPE OF RESOURCES AND THE PURPOSE FOR WHICH THEY ARE BEING REQUESTED:

Expands the City's neighborhood grant program to provide total annual grant funds of \$10,000, with individual grant awards not to exceed \$1,000.

CURRENT		PROPOSED	
PROGRAM 725 – COMMUNITY BUILDING, CIVIC ENGAGEMENT & VOLUNTEERING			
STATEMENT		STATEMENT	
Develop, maintain and grow community partnerships and resources in Sunnyvale...		No Proposed Changes	
PROGRAM MEASURES			
MEASURE	TARGET	MEASURE	TARGET
The number of households in Sunnyvale included in neighborhood associations grows by 100 each year...		No Proposed Changes	
SERVICE DELIVERY PLAN 725-01			
DESCRIPTION OF SERVICE DELIVERY PLAN		DESCRIPTION OF SERVICE DELIVERY PLAN	
To promote the formation and effectiveness of Neighborhood Associations in Sunnyvale...		No Proposed Changes	

CURRENT				PROPOSED			
ACTIVITIES/PRODUCTS							
ACTIVITY #	DESCRIPTION	PRODUCT TYPE	PRODUCTS	ACTIVITY #	DESCRIPTION	PRODUCT TYPE	PRODUCTS
725130	Administer Neighborhood Grants Program	A Grant Application Processed	7	725130	Administer Neighborhood Grants Program	A Grant Application Processed	10
FISCAL IMPACT							
TOTAL SDP COSTS – CURRENT		\$29,487		TOTAL SDP COSTS - PROPOSED		\$41,227	

ACTIVITY DETAIL COST, HOURS AND PRODUCTS

SERVICE DELIVERY PLAN 725-01

PERSONNEL

ACTIVITY #	JOB CODE	CLASSIFICATION	WORK HOURS	PRODUCTS	COSTS
725130	1100	Administrative Aide	45	3	\$2,240
TOTALS			45	3	\$2,240

PURCHASED GOODS AND SERVICES

ACTIVITY #	OBJECT LEVEL	OBJECT NAME	COSTS
725130	5242	Contracts / Service Agreements	\$9,300
TOTAL			\$9,300

GRAND TOTAL **\$11,740**